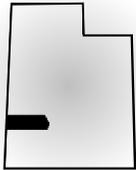


County Trends



Beaver

March 2003

A Local Economic Perspective

Explaining the Unexplainable

In the last newsletter, Beaver County unemployment had remained low but job growth was sporadic. Now, both indicators have switched directions—again against one's economic common sense.

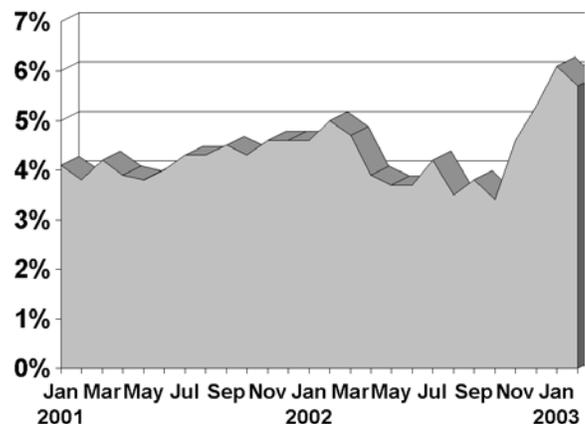
Labor Market Diverges

Just what is going on in Beaver County? Unemployment took a giant step forward in early 2003. The February rate measured 5.7 percent—up more than 2 percentage points from the final quarter of 2002. Yet, when agricultural jobs covered by the unemployment insurance laws are included, Beaver County's employment growth remains robust. Between September 2001 and September 2002, "covered" jobs were up more than 5 percent.

Even when covered agricultural positions are excluded from the employment mix, Beaver County experienced a moderate year-to-year increase of almost 4 percent. How could this possibly be happening? At times, we can explain the difference because of commuting patterns. But, while some Beaver County residents do commute out of the county for work, there are enough commuters to create this kind of jobless increase in the midst of strong job growth.

Its more likely this dichotomy occurs because of the

Seasonally Adjusted Beaver County Unemployment Rates

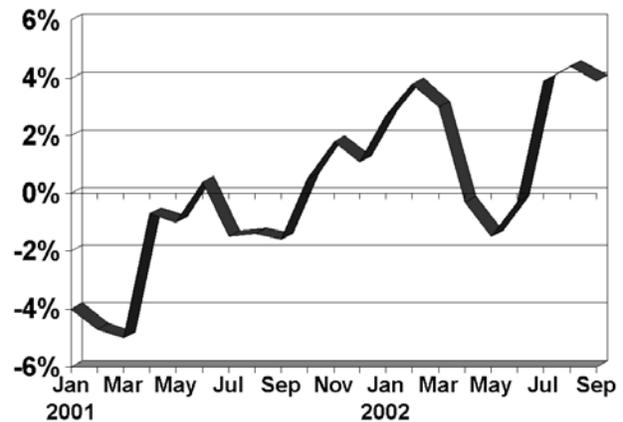


Source: Utah Department of Workforce Services.





Year-Over Change in Beaver County Employment



Source: Utah Department of Workforce Services.

To the Point

Against conventional economic wisdom, Beaver County's unemployment rate has risen substantially while jobs grew robustly. This dichotomy probably occurred because of the different timing of the two figures. Construction remains a bright spot while sales seem to be making their way back into positive territory.

timing of the two numbers. Unemployment rate estimates are available much earlier than are employment estimates—suggesting that job losses may show up later in the employment data to explain this change. In addition, jobless rates are frequently revised as more complete data are available. At any rate, Beaver County's jobless rate deserves watching.

Keep in mind, though, that job growth is the best indicator of an area's economic well-being. Few industries actually lost employment during the third quarter of 2002. Only recession-sensitive construction and manufacturing took major employment hits.

On the positive side, retail trade, accommodations, food services, local government (which includes the school district), and covered agriculture all experienced significant employment gains. All told, the county generated a net gain of almost 120 jobs in the 12 months preceding September 2002.

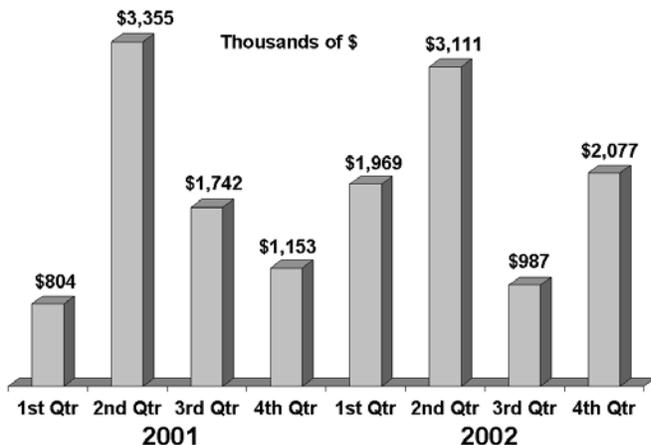
(If you still aren't familiar with these new "NAICS" industry groupings, you aren't alone! Check out this website: <http://jobs.utah.gov/wi/Naics/dwsdefault.asp>)

Construction Brightens

Following employment's lead, construction permitting showed a healthy improvement. Fourth quarter shone by generating an 80-percent year-over increase in total construction values. This pushed the annual rate of growth for 2002 up to 30 percent.

Residential building gains proved the brightest spot in

Total Beaver County Approved Construction Values



Source: Utah Bureau of Economic & Business Research.



this picture. The number of dwelling unit permits was up 28 percent over 2001, and the value of those permits jumped by 63 percent. Nonresidential permitting appeared less flashy with a still-strong increase of about 9 percent.

Sales Still Down

Despite strong employment growth and a hefty gain in construction approvals, Beaver County sales proved a weak economic link. However, third quarter 2002 gross taxable sales showed the first year-to-year increase in more than a year and a half. While the growth rate was certainly marginal—only 0.3 percent—it may signal a turnaround.

Retail trade and services industry sales weren't the problem—they rose at a healthy rate. The big declines came in the business investment category.

Ahead?

While the nation was on the track to recovery, current war fears seem to be derailing the economy. This fact coupled with the early unemployment rate warning may mean Beaver County's current employment expansion could be short-lived. However, a short war may help the economy resume its recovery.

Lecia Parks Langston, Regional Economist
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Quick Facts

February 2003

Unemployment Rate

Beaver County	5.7%
Utah	5.3%
U.S.	5.8%

June 2002 Change from Previous Year

Job Growth

Beaver County	3.9%
Utah	-0.9%
U.S.	-0.7%

4th Qtr 2002 Change from Previous Year

Construction Values

Beaver County	80.1%
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3rd Qtr 2002 Change from Previous Year

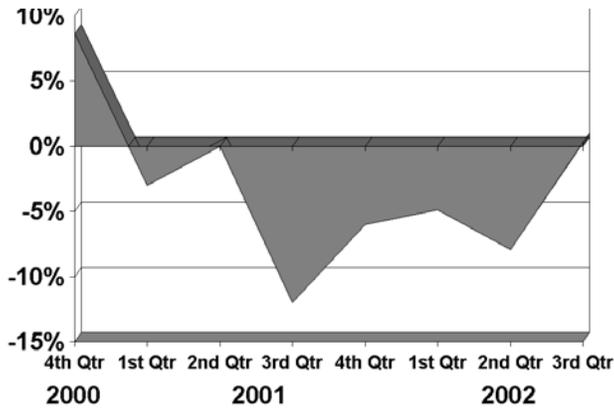
Sales

Beaver County	0.3%
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Source: Utah Dept of Workforce Services,
Bureau of Labor Statistics,
Utah Tax Commission,
Bureau of Econ & Business Research.

For more economic information about Beaver County see:
<http://jobs.utah.gov/wi/regions/county.asp>

Year-Over Change in Beaver County Gross Taxable Sales



Source: Utah Tax Commission.

The mission of the Utah Department of Workforce Services is to provide quality, accessible, and comprehensive employment-related and supportive services responsive to the needs of employers, job seekers, and the community.

What's Up? ⁴

- Circle Four Farms announced plans to build a \$20 million "waste to energy" facility that will convert swine manure into cleaner-burning biodiesel fuel.
- The Milford Valley Memorial Hospital board decided to close the facility on February 28 after determining the debt by then would be too steep. However, the county and the special service district plan to keep the 34-bed facility open.

For more economic events, see:

<http://jobs.utah.gov/wi/Regions/western/beaver/beaveree.pdf>



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Equal Opportunity Employment Program

Auxiliary aids and services are available upon request to individuals with disabilities. Call (801) 526-9240. Individuals with speech and/or hearing impairments may call the state relay at 1-800-346-4128



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